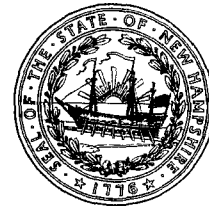




The State of New Hampshire
Department of Environmental Services



Michael P. Nolin
Commissioner

February 10, 2005

Ray LaPlume
President
N.E. Tanya Finishes, Inc.
113 Hillside Avenue
Londonderry, New Hampshire 03053

**CERTIFIED MAIL (7099 3400 0018 1290 2735)
RETURN RECEIPT REQUESTED**

**LETTER OF DEFICIENCY
No. ARD 2005-002**

Dear Mr. LaPlume:

DES received an application for a permit from N.E. Tanya Finishes, Inc. ("NETF") on April 7, 2004. The application contains information on three (3) wet-spray metal finishing booths that were located at the NETF facility that was previously located at 336 Abby Road in Manchester. DES understands that NETF has moved its facility to Londonderry. DES also understands that NETF was working with the Small Business Technical Assistance Program on its permit application and emissions for the Manchester facility.

This Letter of Deficiency ("LOD") is being sent to formally notify you of the deficiencies identified as a result of the application review, subsequent relocation, and additional information received from you, and the necessary action required to resolve these deficiencies. The deficiencies are as follows:

1. Specifically Env-A 1204.15, volatile organic compounds ("VOCs") Reasonably Available Control Technology ("RACT"), requires a coater of miscellaneous metal parts and products with a theoretical potential emissions ("TPE") greater than 10 tons of VOCs per consecutive 12-month period, to apply for and obtain a permit. Env-A 607.01(x) requires a source that is subject to VOC RACT to apply for and obtain a permit. NETF's emissions are subject to the standards for VOCs specified in Env-A 1204.15. Based on the information provided to DES by NETF, its metal finishing operation has a TPE of greater than 10 tons of per consecutive 12-month period. NETF was required to apply for and obtain a temporary permit prior to commencing construction of its facility in calendar year 1998.

A source subject to VOC RACT may opt out of the RACT emissions standards if its actual emissions have never exceeded the threshold for VOC RACT applicability to which it is subject. Since NETF's actual VOC emissions have never exceeded 10 tons per consecutive 12-month period, NETF can opt-out of the emissions limitations of Env-A 1204.15 by accepting permit restrictions that limit its actual emissions to less than 10 tons of VOCs per consecutive 12-month period. In order for DES to issue a permit to NETF with such restrictions, NETF must first submit to DES an updated application for its new location in Londonderry.

NETF's TPE for VOCs has been greater than 10 tons per consecutive 12-month period since commencing operation in calendar year 1998. It was therefore required to apply for a permit in accordance with Env-1204.15 and Env-A 607.01(x) prior to commencing construction for its facility in 1998. Further, in accordance with Env-A 704, sources that were required to have a permit are required by Env-A 704 to submit emission-based fees to DES by October 15 of each year for the actual emissions generated during the previous calendar year. Since NETF should have had a permit since 1998, it should have also been paying emission-based fees beginning with its emissions during 1998.

2. Effective June 26, 2004, Env-A 702.01 requires a permit applicant to pay an Application Review Fee for a Temporary Permit. The \$2,000 Application Review Fee for a Temporary Permit applies to all sources subject to Env-A 607.01, which require a temporary permit. The application review fee is required for new sources.

Env-A 702.03 requires an applicant for a temporary permit to also submit the applicable air dispersion modeling fee. When the applicant for a non-major source permit requests that DES conduct the air dispersion modeling, the fee is \$2,500. If the applicant submits modeling to DES for its review, the applicant must submit to DES with the air dispersion modeling a fee of \$1,875, rather than the \$2,500 fee specified above.

NETF was required to have a permit prior to the effective date of the amendments to Env-A 702.01 (effective on June 26, 2004). Further, NETF was required to submit to DES emission-based fees for its emissions generated since 1998.

DES believes that the deficiencies listed above can be resolved by NETF taking the following actions within thirty (30) days of issuance of this LOD:

- A. Submit an application for NETF's Londonderry location; and
- B. Due to the difficulty in accurately calculating NETF's past emissions, DES is requesting that in order to remedy NETF's past non-compliance with the emission-based fee requirements, that NETF do one of the following:
 1. Calculate the emissions generated during 1998 through 2003 and submit these past-due emission-based fees to DES pursuant to Env-A 705; or
 2. Pay the applicable fees to DES as set forth in Env-A 702. These fees cover the costs of DES's review of the application for a permit representing NETF's operation in Londonderry. DES expects that the total fees would only include the \$2,000 Application Review Fee for a Temporary Permit, since a permit is required pursuant to Env-A 607.01 and air dispersion modeling is not required to demonstrate compliance with Env-A 1406.02 or Env-A 607.01.

In the event that NETF fails to resolve the deficiencies above and within the time periods indicated, DES may initiate further action against NETF, including issuing an order requiring the deficiencies to be corrected, and/or referring this matter to the NH Department of Justice.

Any payment made pursuant to B. 1. or 2. above should be made payable to "Treasurer State of New Hampshire" and sent along with any other information to Mary Ruel, at the following address:

NHDES Air Resources Division
Compliance Bureau
29 Hazen Drive
P.O. Box 95
Concord, NH 03302-0095

Please be advised that DES will continue to monitor NETF's compliance status and that this letter does not provide relief against any other existing or future deficiencies. It is important that NETF be aware of all of the applicable regulations.

Please feel free to contact DES should you have any questions regarding compliance with Env-A 100 et seq., NH Rules Governing the Control of Air Pollution, and the requirements of your current permit. A current copy of the rules can be obtained from the DES website at www.des.state.nh.us/Rules/air.htm, or by contacting the DES Public Information Center at (603) 271-2975. If you have any questions regarding this matter, please contact Mary Ruel at (603) 271-6795.

Sincerely,



Pamela G. Monroe
Compliance Bureau Administrator
Air Resources Division

cc: R. Kurowski, EPA Region 1
G. Hamel, DES Legal Unit
M. Bove, Chairman of the Council, Londonderry
Public Information Officer, DES PIP Office
AFS #330119116